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CENTRAL INTELLIGENCE AGENCY

REPORT

INFORMATION REPORT

CD NO.

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SUBJECT Metalimex National Corporation
for Importing Nonferrous Metals

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1. Czechoslovakia's import of raw material was organized as of 1 January 1949. The newly established Metalimex National Corporation was made responsible for procuring various kinds of nonferrous metals from abroad. Metalimex, with office at 34 Stepanaska in Prague II, was an independent national enterprise which received its instructions in part from the Foreign Trade Ministry and in part from the Ministry of Industry. The raw material imports were based on an import plan worked out according to the requirements of the Five Year Plan. During 1949 the import plan was strictly adhered to, though sometimes serious difficulties had to be overcome such as the difficulty in obtaining copper after trade relations with Yugoslavia were broken off. Attempts were made to replace the Yugoslavian copper by Soviet imports. Metalimex was authorized to hold negotiations in Prague as well as abroad to conclude purchasing contracts and to arrange the actual import of the goods purchased. Purchasing contracts could occasionally be made outside the provisions of the trade agreements. The date of shipment depended on the approval of the foreign exchange allocation. The imported goods were shipped directly from the foreign supplier to the consuming plant in Czechoslovakia and were not stored enroute. There was occasional stockpiling at the consuming plant itself but only in very small quantities.
2. Metalimex had an office in Prague and a branch office in Bratislava. The Prague office handled the import of copper, zinc, nickel, manganese, chromium, vanadium, tungsten, molybdenum, cadmium, and mercury. The subsidiary in Bratislava handled the import of tin, lead, and aluminum as well as the export of the small amounts of surplus antimony. Precious metals, such as gold, silver, and platinum, were not handled by Metalimex, but were purchased by the National Bank. The export of the uranium ores produced was done under Soviet control by a special cover firm in cooperation with the management of the Jachymovske Doly.

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25 YEAR RE-REVIEW

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3. Mr. Axler was the general manager of Metalimex, which consisted of four departments for purchasing, planning, administration, and political control. Engineer Nemec was the manager of the first two departments, Dr. Vanicek headed the administrative department, and Majer a former workman, directed the cadre department.
4. In 1949 Metalimex imported a total of 48,000 metric tons of copper for Czechoslovakia. More than 90 percent of this was electrolytic copper; the rest was black copper which was processed into electrolytic copper in the Banska Bystrica (Q 49/C 76) Plant and in the Union Plant of the Kovoht National Corporation in Ostrava-Marianske Hory (P 50/O 59). Of these copper imports about 7,000 tons came from the USSR. [redacted]
- [redacted] Yugoslavian imports came only during the first half of 1949 after which trade relations were severed.
5. The domestic copper production of Czechoslovakia was based on slight deposits in Podkanova (Q 49/C 76) and Nizne Slovinky (R 49/E 06) and on the extraction of copper from pyrites in the Vitkovice Ironworks. [redacted] The annual domestic production in Czechoslovakia was estimated to be 6,000 tons. The major consumers were the weapons plant in Povazska Bystrica (Q 50/O 71) producing shell cases, numerous plants of the Kovoht Enterprise manufacturing castings, and the metal rolling mill in Usti nad Labem (N 51/F 44), which processed wire of all dimensions, rods, section metal, and sheet metal. (1)
6. The total Czech imports of zinc in 1949 were 28,000 tons, most of which was primary zinc. More than 14,000 tons were imported from Poland through the Zjednoczone zaklady przemyslu metalu niezelaznych in Katowice [redacted] and some from Rumania. Zinc was also imported from Yugoslavia during the first half of 1949. There had been no zinc imports from the USSR. The Czechoslovakian domestic production of zinc blende in Pribram (N 50/L 53) and Banska Stianica (Q 49/C 53) was estimated to be close to 5,000 tons. The main Czech consumers of zinc included the metal rolling mills in Ostrava-Privoz and Usti/Labem, the Povazska Bystrica Plant, and galvanization plants of the large industrial enterprises. (2)
7. More than 90 percent of the manganese shipments came as ore from the USSR and slight quantities as ferromanganese [redacted] Chromium and other steel-refining metals were imported only as ferro alloys [redacted] with the bulk of import shipments coming from the USSR. [redacted]
8. The total Czech imports of nickel were 1,600 tons in 1949. Imports from the USSR are not included in this figure. (3) In 1949 Czechoslovakia also imported a total of 30 metric tons of cadmium, approximately 1,000 tons of tin, 14,000 tons of lead and 13,000 tons of aluminum. Tin imports included banka tin in bars [redacted] The lead imports came from the USSR, Rumania, and, during the first half of 1949, also from Yugoslavia. (5) Hungary and the USSR supplied Czechoslovakia with aluminum [redacted]

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9. Only slight quantities of mercury were imported because there is a Czechoslovakian plant in Rudny (formerly Koterbachy - R 49/D 96-) producing about 30 tons annually. The mercury imports from India were [redacted]

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10. Domestic antimony production, approximately 1,500 tons a year, not only satisfied the country's requirements, but also enabled Czechoslovakia to export slight amounts. (8)

11. [redacted] the Czechoslovakian nonferrous metal requirements could be fully covered by these imports if added to the amounts yielded by the Czechoslovakian domestic production and by the scrap collection. (9) There were practically no shortages as of late in 1949. However, the situation would probably be changed if a stern imports, which represented a considerable share of the total imports, were reduced or suspended. [redacted] the loss of the western imports could hardly be balanced by the U.S.S.R. and would cause a considerable confusion in the industrial production program and in the realization of the Five Year Plan. (10)

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[redacted] Comments.

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- (1) Czechoslovakia has always had to depend on imports of copper since its domestic production has been inadequate. The maximum import figure of 32,830 metric tons was reached in 1947. At that time domestic production comprised 1,078 tons of black copper, 2,180 tons of cement copper, and 935 tons of refined copper. Before the war, production was occasionally abandoned because it was unprofitable, and shortly after the war, domestic production declined sharply. The production of cement copper in the Bohemian countries was 320 tons in 1944, and the production of refined and electrolytic copper in Slovakia was 552 tons in 1947. The average annual requirements of Czechoslovakia in the last prewar years, when the armament industry had already increased, approximated 30,000 tons. The annual requirements for 1949 - 1950 are estimated at about 35,000 tons. The 1949 copper imports of 48,000 tons of copper therefore seem to be very high for domestic needs. Also the estimated domestic production of 6,000 tons a year is considered exaggerated and cannot be obtained from the mining output of the unproductive and inadequately equipped copper mines in Slovakia.
- (2) The annual zinc requirements of Czechoslovakia for 1949 - 1950 are estimated at about 25,000 tons. The zinc imports were 17,200 tons in 1937, when the domestic production approximated 7,800 tons. Most of the requirements, therefore, had to be met by imports. However, the import of 28,000 tons, indicated for 1949, seems to be excessive for domestic needs. Since 1948 Poland has supplied Czechoslovakia with 13,000 tons of zinc annually in compliance with the trade agreement. Poland is, therefore, the main zinc supplier. It is improbable that the U.S.S.R. does not export any zinc to Czechoslovakia. From the end of the war until July 1947 the U.S.S.R. supplied 1,100 tons of zinc to Czechoslovakia. According to Czechoslovakian press reports on the new trade agreement with the U.S.S.R., Soviet zinc shipments also came to Czechoslovakia after July 1947. However, no information is available on the amount of these shipments.
- (3) All of Czechoslovakia's nickel requirements have to be covered by imports. The maximum prewar imports were 2,236 tons in 1937. This figure had not yet been reached in the post-war period. The nickel imports were only 191 tons in 1946, but had already increased to 203 tons in the first quarter of 1947.

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